

Government launches third batch of Silver Bond

The Government announced today (November 22) the launch of the third batch of Silver Bond for subscription by Hong Kong residents aged 65 or above.

The target issuance size of the third batch of Silver Bond is HK\$3 billion. It will have a tenor of three years. Bond holders will be paid interest once every six months at a rate linked to inflation in Hong Kong, subject to a minimum rate of 3 per cent. Only applications from Hong Kong residents aged 65 or above holding a Hong Kong identity card will be accepted, and there will be no secondary market for Silver Bonds. Bond holders may sell their bonds before maturity to the Government at par together with accrued but unpaid interest.

The subscription period for the Silver Bond will start from 9am on November 28 and end at 2pm on December 6. The Bond will be issued on December 17. Hong Kong residents aged 65 or above (i.e. those born in 1953 or before) may apply for the Bond through one of the 20 placing banks or 15 designated securities brokers.

The Financial Secretary announced in the 2018-19 Budget that the Government will issue Silver Bond in 2018 and 2019 to further develop the local bond market.

"The issuance of Silver Bond is intended to provide an investment product with steady returns for senior citizens and encourage financial institutions to tap into the immense potential of this 'silver market' by introducing a wider spectrum of appropriate products," a government spokesperson said.

Details of the offering terms and subscription arrangements are available at the website (www.hkgb.gov.hk) of the Government Bond Programme.